



Attach a copy of this form to your Iowa income tax return.

Iowa Depreciation Adjustment Schedule

Name(s)	Social Security No.
Name of Partnership or Corporation (if applicable)	Federal ID No.

Use this form to compute the Iowa depreciation adjustment:

- If the taxpayer claims the federal 30% "bonus depreciation" deduction for assets acquired after September 10, 2001, but before May 6, 2003; and/or
- If the taxpayer claims the federal 50% "bonus depreciation" for assets acquired after May 5, 2003, but before January 1, 2005, and taxpayer chooses to not claim this for Iowa tax purposes; and/or
- If the taxpayer claims the federal 50% "bonus depreciation" for assets acquired after December 31, 2007, but before January 1, 2009; and/or

- If the taxpayer claims the federal Section 179 expense in excess of \$25,000 for tax years beginning on or after January 1, 2003, but beginning before January 1, 2006, and taxpayer chooses to only claim no more than \$25,000 for Iowa tax purposes; and/or
- If the taxpayer disposes of "bonus depreciation" or Section 179 property during the tax year, and Iowa depreciation adjustments were made to the property in previous tax years.

PART I - Computation of Iowa depreciation adjustment: List depreciable property acquired during the tax period that falls between September 10, 2001, and May 5, 2003, which requires a depreciation adjustment when computing Iowa taxable income. Also, list property acquired after May 5, 2003, but before January 1, 2005, for which the 50% bonus depreciation was claimed for federal tax purposes that you chose not to claim for Iowa tax purposes. Plus, list property acquired after December 31, 2007, but before January 1, 2009, for which the 50% bonus depreciation was claimed for federal tax purposes. In addition, list property for tax years beginning on or after January 1, 2003, but beginning prior to January 1, 2006, for which Section 179 expense in excess of \$25,000 was taken for federal tax purposes, and you chose to claim no more than \$25,000 for Iowa tax purposes. This should be computed whether the depreciation was claimed on federal form 4562, federal form 2106, Schedule C, Schedule F or any other federal schedule.

A	Description of Property	B	Date placed in service	C	Life of asset	D	Cost or other basis	E	Federal 179 Expense	F	Federal Depreciation Deduction	G	Accumulated Federal Depreciation	H	Iowa 179 Expense (limited to \$25,000)	I	MACRS Iowa Depreciation Deduction	J	Accumulated Iowa Depreciation
Total amounts in columns E, F, H & I																			

If you have not sold or disposed of any "Bonus Depreciation" or Section 179 property, skip to Part III of this form. If you have disposed of "Bonus Depreciation" or Section 179 property, and an Iowa depreciation adjustment applied to this property in a prior year, continue to Part II.

PART II - Disposition adjustments: For each item of property listed below, determine the difference between federal depreciation and Iowa MACRS depreciation used in the computation of federal and Iowa taxable income in prior and current years.

A	Description of Property sold or disposed	B	Date placed in service - mo/day/yr	C	Date sold or disposed	D	Total Iowa depreciation + Sec. 179 expense taken	E	Total federal depreciation + Sec. 179 expense taken	F	Adjustment (subtract column E from column D)
Total amounts in columns F											

PART III - Summary of adjustments to net income

- 1. Enter the sum of amounts from Part I, columns E & F ____ 1. _____
- 2. Enter the sum of amounts from Part I, columns H & I ____ 2. _____
- 3. Adjustment to depreciation (subtract line 2 from line 1) ____ 3. _____
- 4. Enter amount from Part II, column F ____ 4. _____
- 5. Add lines 3 and 4 ____ 5. _____

If you file Iowa Form:	Enter positive amounts from line 5 on:	Enter negative amounts from line 5 on:
1040	Other Income, line 14	Other Income, line 14
1065	Part I, line 3	Part I, line 6
1120	Schedule A, depreciation adj., line 8	Schedule A, depreciation adj., line 8
1120A	Schedule A, other additions, line 4	Schedule A, other reductions, line 4
1120S	Schedule S, line 3	Schedule S, line 7
1120F	Schedule A, line 7	Schedule D, line 7

INSTRUCTIONS This form must be completed by any taxpayer who claimed the 30% “bonus depreciation” deduction for assets acquired after September 10, 2001, but before May 6, 2003, provided under the Job Creation and Worker Assistance Act of 2002. This form should be used whether depreciation was claimed on federal form 4562, Depreciation and Amortization; federal form 2106, Employee Business Expenses; Schedule C, Profit or Loss from Business; Schedule F, Profit or Loss from Farming, or any other federal form where depreciation was deducted.

This form must also be completed by any taxpayer who disposes of 30% “bonus depreciation” property during the tax year, and Iowa depreciation adjustments were made to the property in previous tax years. This form must also be completed *if* a taxpayer claimed 50% “bonus depreciation” for assets acquired after May 5, 2003, but before January 1, 2005, for federal tax purposes, but chose not to claim this for Iowa tax purposes. Plus, this form must be completed if a taxpayer claimed 50% “bonus depreciation” for assets acquired after December 31, 2007, but before January 1, 2009, for federal tax purposes. In addition, this form must be completed *if* a taxpayer claims the federal section 179 expense in excess of \$25,000 for tax years beginning on or after January 1, 2003, but beginning before January 1, 2006, and taxpayer chose to only claim no more than \$25,000 for Iowa tax purposes.

Starting with tax years beginning on or after January 1, 2006, taxpayers must claim the same section 179 expense that was claimed on the federal return.

PART I List each item of property acquired after September 10, 2001, but before May 5, 2003, for which 30% “bonus depreciation” was claimed on the federal return. Also, list property acquired after May 5, 2003, but before January 1, 2005, for which the 50% “bonus depreciation” was claimed for federal tax purposes that you chose not to claim for Iowa tax purposes. Plus, list property

acquired after December 31, 2007, but before January 1, 2009, for which the 50% bonus depreciation was claimed for federal tax purposes. In addition, list property for tax years beginning on or after January 1, 2003, but beginning prior to January 1, 2006, for which Section 179 expense in excess of \$25,000 was taken for federal tax purposes, and you chose to claim no more than \$25,000 for Iowa tax purposes. A separate schedule can be attached listing all qualifying property. Grouping of assets by class is also permitted. For example, all 3-year assets, all 5-year assets, etc., may be grouped together. If assets are grouped, the taxpayer is responsible to maintain all records necessary to support how each item was grouped. Compute the amount of federal depreciation using the “bonus depreciation” method and the amount of Iowa depreciation using the MACRS method without any “bonus depreciation and using a limit of \$25,000 on Section 179 property, if applicable. Total the amount of the federal depreciation in Columns E and F and the Iowa depreciation in Columns H and I and enter on Part III of the form. The accumulated depreciation amount in columns G and J should include the total amounts of depreciation and Section 179 expense for the life of the asset(s).

If you have not sold or disposed of any “bonus depreciation” property, you may skip Part II of this form.

PART II If you sold or disposed of “bonus depreciation” property this year, and the Iowa depreciation adjustment applied to the property in any prior years, you must make the applicable depreciation catch-up adjustment to adjust the basis of the property for Iowa purposes. A separate schedule can be attached listing all qualifying sales or dispositions, and grouping of assets by class is also permitted as described in Part I. Total the amount in Column F and enter on Part III of the form.

PART III Compute the net adjustment from Part I and Part II. Enter the amount from line 5 on the applicable Iowa form as noted above.